

CityGate Site
Conditions Survey

City of Colorado Springs, Colorado

August 2006

Prepared for:

Colorado Springs Urban Renewal Authority
Colorado Springs, Colorado City Council

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1.0 INTRODUCTION

The following report, the *CityGate (Site) Conditions Survey*, was prepared for the Colorado Springs Urban Renewal Area (CSURA) and completed in August 2006. The purpose of this work was to analyze conditions within a defined Study Area (the Area) located within the City of Colorado Springs, El Paso County, in order to determine whether factors contributing to blight are present and whether it is, therefore, eligible as an urban renewal area under the provisions of Colorado State Statute. The boundaries of the Area are generally defined as Cimarron Street on the north, Sawatch Street on the east, Rio Grande Street on the south, and the BNSF / UP railroad tracks on the west. *A map depicting the exact Area boundaries is presented in Section 2.1 of this report.*

Establishment of an urban renewal area will allow the City of Colorado Springs, through its urban renewal entity, to use designated powers to assist in the redevelopment of properties and improvements within its boundaries.

1.1 Definition of Blight

This study represents an important step towards achieving goals set out in the City's master planning documents specifically related to redevelopment and reinvestment. In addition, it is the first step in the process to determine if the Area qualifies as a "blighted area" eligible for urban renewal. A determination of blight is a cumulative conclusion based on the presence of several physical, environmental, and social factors defined by state law. Indeed, blight is attributable to a multiplicity of conditions, which, in combination, tend to accelerate the phenomenon of deterioration of an area. For purposes of this study, the definition of a blighted area is premised upon the definition articulated in the Colorado Urban Renewal Law, as follows:

"Blighted area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

- (a) *Slum, deteriorated, or deteriorating structures;*
- (b) *Predominance of defective or inadequate street layout;*
- (c) *Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (d) *Unsanitary or unsafe conditions;*
- (e) *Deterioration of site or other improvements;*
- (f) *Unusual topography or inadequate public improvements or utilities;*
- (g) *Defective or unusual conditions of title rendering the title non-marketable;*
- (h) *The existence of conditions that endanger life or property by fire or other causes;*
- (i) *Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- (j) *Environmental contamination of buildings or property;*
- (k.5) *The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements;*
- (l) *If there is no objection of such property owner or owners and the tenant or tenants of such owner or owners, if an, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare. For purposes of this paragraph (1), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.*

Source: Colorado Revised Statute 31-25-103(2).

According to state law, it is not necessary for every condition of blight to be present in an area in order for it to be eligible for urban renewal status. Rather, an area qualifies as blighted when four or more conditions are present (or five conditions, in cases where the use of eminent domain is anticipated). In addition, conditions need not be present on each parcel, but must be found somewhere in the Area as a whole. With this understanding, the *CityGate (Site) Conditions Survey* presents an overview of conditions within the Area sufficient to make a determination of blight. The "Summary of Findings" presented in the last section provides conclusions regarding the analysis and

presence of blight in key areas; however, the Colorado Springs City Council will make a final determination of blight based on the extent to which conditions constitute a liability for the Area.

1.2 Study Methodology

The *CityGate (Site) Conditions Survey* includes a detailed analysis of site, building and public improvement deterioration, as well as dangers from environmental contamination, crime, flood and fire. Qualifying conditions throughout the Area were identified and analyzed to produce maps showing the general location of these blighting factors.

Leland Consulting Group (LCG) personnel conducted field investigations, including both interior and exterior inspections, in June and July of 2006 for the purpose of documenting conditions within the categories of blight set out in the state statute. Pertinent Geographic Information Systems (GIS) data was obtained from the City, El Paso County, and Federal Emergency Management Agency, and subsequently analyzed by Leland Consulting Group. Additional information was obtained through interviews with property owners, local officials, as well as other experts on local and regional market conditions.

1.3 Report Format

The *CityGate (Site) Conditions Survey* is presented in four sections and an Appendix. Section 1.0 presents an overview of the project, a definition of “blight,” and the study methodology. Section 2.0 presents a description of the Area and an overview of existing conditions. Section 3.0 defines the primary categories of blight and documents conditions which are present within each category. Section 4.0 summarizes the findings from the research.

2.0 Area Overview and Description

2.1 Area Description

As described above, the conditions survey presented here is made up of four generally industrial blocks in west central Colorado Springs. It is surrounded by Cimarron Street on the north, Sawatch Street on the east, Rio Grande Street on the south, and the railroad tracks on the west.



Exhibit 1: Area Boundaries

The Area contains 11 parcels with a total parcel acreage of approximately 16.3 acres (excluding any streets or rights of way).

2.2 Area Context

The Area contains a mix of vacant and occupied heavy industrial and light industrial/office uses. Properties include a vacant foundry and several vacant buildings

housing related industrial uses, formerly owned by the Metso Minerals Company. Occupied uses include the Colorado Ironworks sculpture studio, an office of Belfour property restoration, light industrial buildings for Charles D. Jones and Carrier West, as well as offices for Metso Minerals' property management. At the time of this analysis, there was still ongoing laboratory activity within at least one building on the Metso property. One residential building is connected with the Colorado Ironworks building. A sizeable share of land in the Area is vacant and/or under-utilized with two surface parking lots and one vacant field.

A large coal-fired power plant is located directly to the west of the Area, across the Burlington Northern Santa Fe/Union Pacific Joint rail line. This facility includes coal storage and a generator plant. The surrounding neighborhood is generally industrial in nature, but transitions into single family residential uses to the southeast of the Area.

3.0 Determination of Area Conditions

Significant findings of the *CityGate (Site) Conditions Survey* are presented in the discussion which follows. These findings are based on a review of documents and reports, interviews, field surveys, and analyses conducted during June and July of 2006. Properties and buildings, along with public improvements adjacent to the properties, were evaluated and deficiencies noted. As previously explained, the purpose of this study was to determine whether conditions of blight, as defined by the Colorado State Statute, exist in the Area. The principal categories reported here, as outlined in the statute, include: building conditions; site conditions; unusual topography or inadequate public improvements; endangerment from fire or other causes; unsafe or unhealthy work/live conditions; environmental contamination; and, high municipal requirements or site underutilization.

3.1 Building Conditions

Condition (a): Slum, Deteriorated and Deteriorating Structures

This section summarizes the on-site investigations of deterioration within the Area. The condition of deteriorating or deteriorated structures was primarily identified through field survey work, examination of aerial photography, and observation of exterior physical conditions among properties within the Area. Interior inspections were also conducted, primarily in vacant buildings formerly owned by Metso Minerals. Building deterioration rating criteria considered included the following: primary structure (roof, walls, foundation); secondary structure (fascia/soffits, gutters/ downspouts, exterior finishes, windows and doors, stairways/ fire escapes); and, exterior structure (mechanical equipment, loading areas, fences/walls/gates, other structures).

Deterioration and deteriorating structures could be found in all but the southeast quadrant of the Area. The worst conditions were found in the northeast quadrant, within the foundry and fabrication areas, although many outbuildings and other improvements in the northwest and southwest areas suffer from deterioration as well, as do most of the fences on the property. Examples of properties affected by Condition (a) are shown in the photos in Exhibit 2 below.



Exhibit 2: Examples of Condition A (Deteriorating Structures)



Exhibit 2 (cont.): Examples of Condition A (Deteriorating Structures)

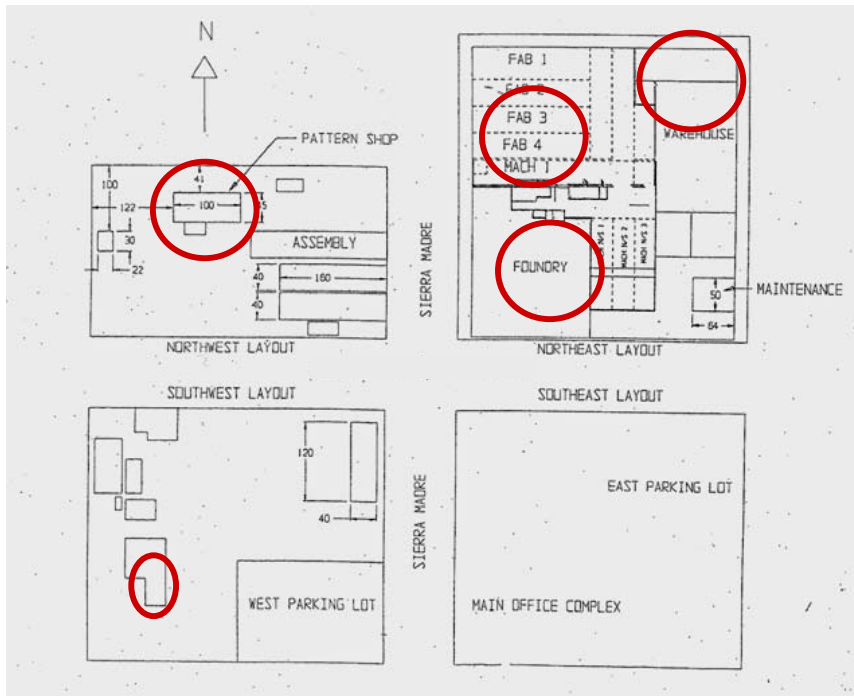


Exhibit 3 (cont.): General Location of Worst Instances of Condition A

3.2 SITE CONDITIONS

The evaluation of site conditions is divided into four categories according to the definition of blight: b) defective or inadequate street layout; c) faulty lot layout; d) unsanitary or unsafe conditions; and e) deterioration of site or other improvements. Representative conditions among each category of site deterioration are described as follows:

Condition (b): Defective or Inadequate Street Layout - Conditions typically associated with defective street layout include poor vehicular access and/or internal circulation; substandard driveway definition and parking layout (e.g. lack of curb cuts, awkward entrance and exit points); offset or irregular intersections; and, substandard or nonexistent pedestrian circulation.

Condition (c): Faulty Lot Layout - Conditions typically associated with faulty lot layout include faulty lot shape and/or layout and inadequate lot size. Poor access is also considered to be an indicator of faulty lot layout.

Condition (d): Unsanitary or Unsafe Conditions - Conditions typically considered unsanitary or unsafe include: poorly lit or unlit areas; cracked or uneven sidewalks; poor drainage; environmental contamination; buildings located within a floodplain; uneven grading or steep slopes; and, the existence of trash, debris, weeds, abandoned vehicles, a high incidence of reported crime, graffiti or other forms of vandalism or vagrant activity.

Condition (e): Deterioration of Site or Other Improvements - Site conditions typically considered to be substandard or undesirable include: the presence of billboards, neglected properties, and unscreened trash or mechanical storage areas; deterioration of parking surfaces; lack of landscaping; and, other general site maintenance problems.

Each of these conditions of blight, as they apply to the Area, is discussed separately in the following paragraphs.

3.2.1 Defective or Inadequate Street Layout

Issues impacting street layout include the interruption of east-west vehicular flow at Moreno Avenue and Rio Grande Street, due to the presence of railroad tracks. Street layout is also compromised along Sahwath Street, Cimarron Street and Sierra Madre Streets due to substandard and missing curb cuts leading into the Metso property in several locations.



Exhibit 4: Primary Locations of Condition B (Faulty or Inadequate Street Layout)

3.2.2 Faulty Lot Layout

Parcels smaller than one-half acre are considered by many municipalities to be of inadequate size because of significant constraints on the range of (re-) development options available to this lot size particularly given setback, parking, and other regulatory requirements. Three parcels in the Area are less than one-half acre in size. The parcels noted as Lots B and C in Exhibit 5 below are the smallest of these.

Lot layout is also deemed to be faulty if the configuration relative to the street is contrary to what allows for development. Lot shape is considered faulty if the shape is unusual to the extent that it deters or constrains (re-) development options. At least two parcels in the Area have faulty layouts relative to the street – labeled as Lots A and B in Exhibit 5.

Poor access, a condition related to poor lot layout, is discussed in the subsection above under *Defective or Inadequate Street Layout*, and is also indicative of faulty lot layout. The presence of railroad tracks along the western boundary of the Area is detrimental to vehicular access particularly for Lots B and D, shown in Exhibit 5.



Exhibit 5: Examples of Condition C: Faulty/Inadequate Lot Layout

3.2.3 Unsanitary or Unsafe Conditions

Unsafe or unsanitary conditions can be found throughout the Survey Area, primarily concentrated around the vacant foundry and related facilities. Much of the open fields on the southwest and northwest properties are covered with litter and weeds. The foundry and some of the fabrication and storage buildings have become home to pigeons, vermin and wild animals. Their presence, along with the significant accumulations of bird and animal waste, pose a potential health hazard for those facilities. The majority of outdoor spaces on the property are poorly lit or (more commonly) not lighted at all. Unscreened scrap metal and mechanical equipment can be found in numerous locations throughout the Area. Surrounding sidewalks (where present) suffer from frequent, significant cracks and unsafe deterioration.

Exhibit 6, below, shows photographs of typical instances of unsafe or unsanitary conditions, while Exhibit 7 indicates the locations where that condition is most prevalent.



Exhibit 6: Examples of Condition D: Unsafe or Unsanitary Conditions

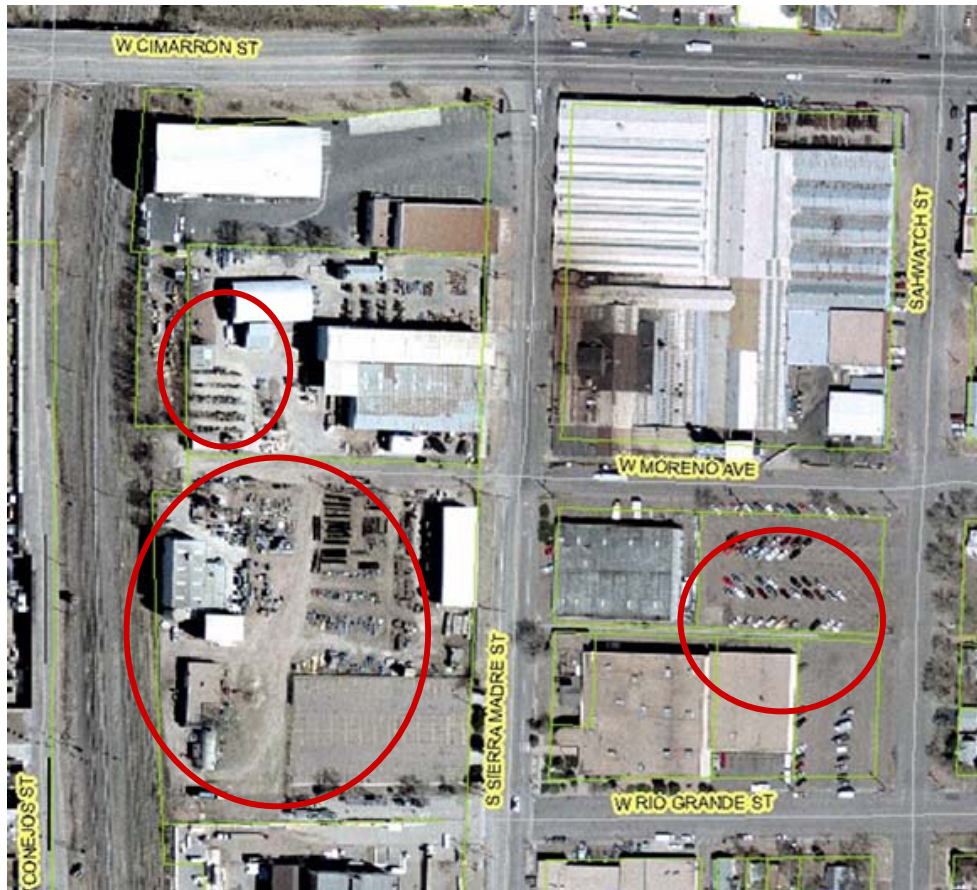


Exhibit 7: Primary Locations of Condition D: Unsafe or Unsanitary Conditions

3.2.4 Deterioration of Site and Other Improvements

A variety of blight conditions were observed within the Area related to deterioration of the site and non-primary improvements. As expected with a largely abandoned facility, the grounds, outbuildings, and open areas were observed to be in a relatively neglected state, with litter, weeds, deteriorating fencing, and often badly damaged paved surfaces. The main office complex, in the southeast quadrant of the Survey Area, is generally free of these problems.

Exhibit 8, below, shows photographs of typical instances of site deterioration, while Exhibit 9 indicates the locations where that condition is most prevalent.



Exhibit 8: Examples of Condition E: Deterioration of Site or Other Improvements



Exhibit 9: Primary Location of Condition E: Deterioration of Site or Other Improvements

3.3 Unusual Topography/Inadequate Public Improvements

Unusual topography is considered to exist on parcels with steep slopes or undulating terrain. Because the Area is relatively flat, there was no unusual topography found.

The condition of inadequate public improvements is said to exist in areas with deteriorating street surfaces, overhead utilities, a lack of sidewalks, curb and gutter deterioration, inadequate street lighting, and/or a lack of water and sewer service.

Provision of electric utilities on at least part of the property is unusual, with a separate substation not connected to the city grid. This poses a barrier to redevelopment and, as such, is considered an inadequate public improvement for the purposes of this analysis. Other public improvements such as sidewalks, street lighting, street pavement maintenance, curb & gutter, and storm drainage are lacking throughout the subject property. Again, many of these public improvements are present and in better condition in the vicinity of the main office complex in the southeast quadrant of the Area.

Exhibit 10 contains two photographs illustrating the general lack of public improvements, while Exhibit 11 indicates the general locations where the inadequate public improvements are most pronounced.



Exhibit 10: Condition F (Inadequate Public Improvements)

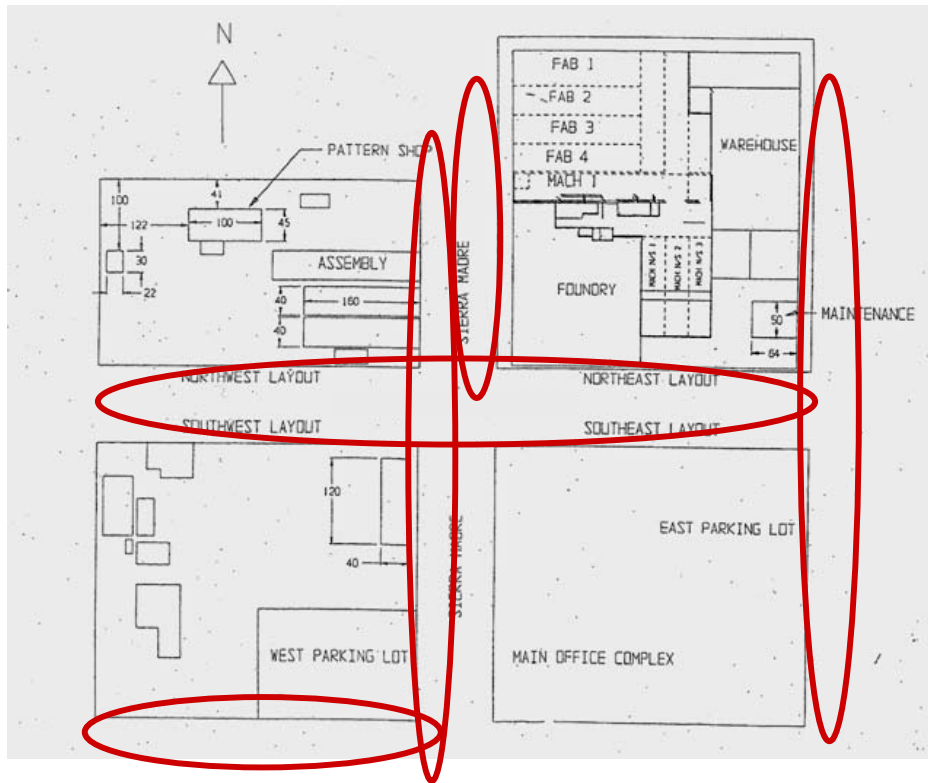


Exhibit 11: General Locations of Condition F (Inadequate Public Improvements)

3.4 Endangerment From Fire or Other Conditions

Danger to life or property from fire is said, in this analysis, to exist in commercial, lodging, and multi-family residential structures that lack sprinkler systems. Several of the buildings, including the foundry and several fabrication buildings, appear to lack sprinkler systems and thus constitute a life and property hazard from fire, as per the statute.

Endangerment from fire or other conditions is also said to exist, when there is the risk of flooding on parcels that lie within a 100-year flood plain. The Area does not intersect any known 100-yr. flood hazard zones.

3.5 Unhealthy or Unsafe Building Conditions

Unhealthy or unsafe building conditions are present on parcels with structures that have obviously unsafe structures or facilities. In their current state of neglect and disrepair, several of the buildings on the property could be considered unsafe for working – particularly the foundry and adjacent fabrication space. Torn or otherwise damaged walls and ceilings, open high voltage areas, apparent chemical spillage, and evidence of inside vermin (pigeons, foxes, etc.) all contribute to apparent safety hazards in these structures. Again, the southeast quadrant is notably free of such problems. While the northwest and southwest quadrants have maintenance problems, it is unclear whether they would be unsafe for working per the statute

Exhibit 12 shows sample photographs of typical instances of unsafe/unhealthy building conditions, while Exhibit 13 indicates the location of those problems.

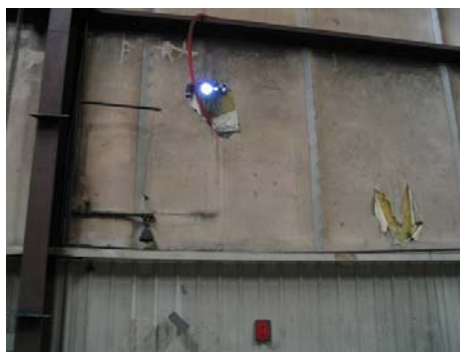


Exhibit 12: Condition I (Buildings or Facilities Unsafe for Living or Working)

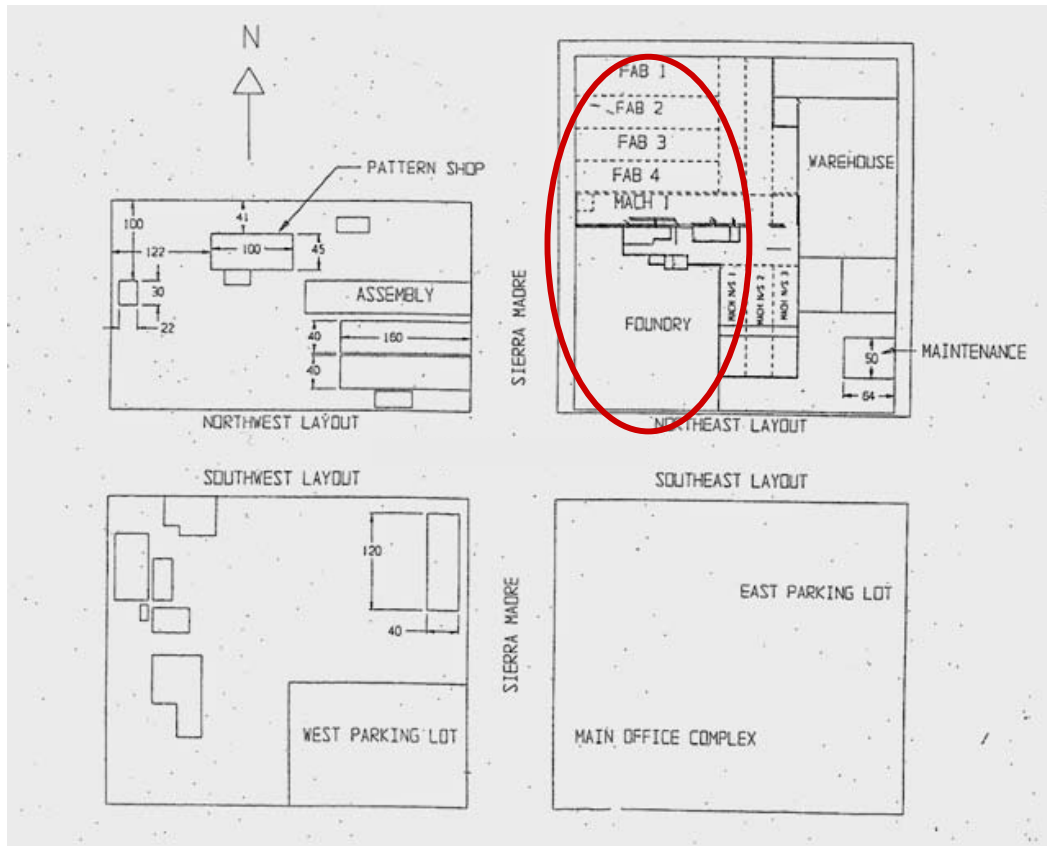


Exhibit 13: General Location of Condition I (Buildings or Facilities Unsafe for Living or Working)

3.6 Environmental Contamination

According to a Phase II Environmental Assessment completed in 2005 by the environmental consultants August Mack on behalf of Metso Minerals, there was asbestos contamination remaining on the site warranting clean-up. Affected areas included the machine shop office (thermal pipe insulation) and main office building (floor tiles). While arsenic levels were slightly above state safety thresholds, it was determined that such levels were within naturally occurring levels and thus did not constitute an actionable hazard.

3.7 High Service Demands or Underutilized Sites

This statutory category considers two different conditions that can impact the “welfare” of an area. Sites (in this case parcels) exhibiting “health, safety, or welfare factors requiring high levels of municipal services” include areas of high crime or repeated fire code violations. There is no evidence that properties within the Survey Area currently place a disproportionate burden on local services.

Areas characterized by “substantial physical underutilization or vacancy of sites, buildings, or other improvements” include vacant lots, parcels with vacant structures, or parcels for which the value of its improvement is disproportionately small relative to the land value. The site is clearly under-utilized per the state blight statute, as evidenced by vacancies in each of the quadrants. With the exception of the far northeast quadrant, the southeast quadrant and lab portion of the southwest quadrant, the Survey Area is entirely vacant. The east parking lot (in the southeast quadrant) can also be considered underutilized, because it serves only a small number of employees relative to its capacity.

Exhibit 14 shows sample photographs of typical instances of site underutilization, while Exhibit 15 indicates the location of those problems.



Exhibit 14: Examples of Condition K.5 (Site Underutilization)

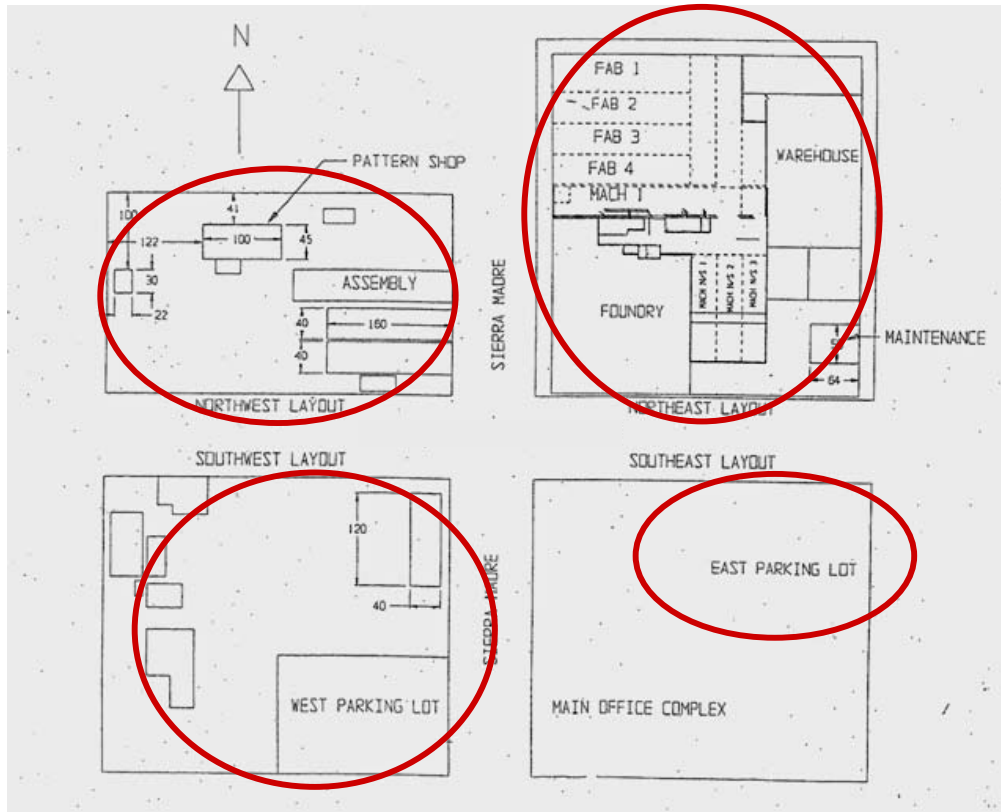


Exhibit 15: General Locations of Condition K.5 (Site Underutilization)

4.0 Summary of Findings

The presence of blight that “...substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare...” [Colorado Revised Statute 31-25-103(2)]

It is the conclusion of this survey that, within the Area described in this report, there is the presence of adverse physical conditions sufficient to meet criteria established in the state statute. Although some portions of the Area are in adequate or sound condition, there exist deteriorated and substandard conditions throughout the Area as a whole, which could lead the legislative body to a finding that this area is blighted. The

conclusion of this study is based on the following summary of qualifying conditions found in the Area and described in this report.

LCG did not perform a title search on any properties within the Area; therefore Condition G (defective or unusual title rendering property unmarketable) was not identified.

(a) and (i): Deteriorating or deteriorated structures and buildings identified as unsafe or unsanitary were evident within the Area. Several buildings have secondary and exterior structure, as well as primary structure, deterioration. Additionally, problems exist with the physical condition of older structures. Instances of blight, due in part to apparent neglect, were evident on several sites.

(b) and (c): Conditions of faulty street and lot layout existed throughout the Area. Conditions that did exist concerning defective street and lot layout included problems associated with poor vehicular access and faulty lot layout, shape and size. Presence of the railway exacerbated this problem.

(d) and (h): Unsanitary or unsafe conditions and endangerment were prevalent throughout the Area. Conditions included environmental contamination, pests, poorly lit or unlit areas, unscreened trash and equipment, and flood hazards.

(e): Deteriorating sites and other improvements were prevalent throughout the Area. Conditions included site neglect and site maintenance problems, trash/debris/weeds, and lack of landscaping.

(f): Unusual topography and inadequate public improvements were evident throughout the Area. Inadequate public improvements were common within the Area due to a lack of sidewalks, streets, curb & gutter.

(g) Instances of *defective or unusual title* were not investigated for this analysis.

(j) *Environmental contamination* exists in the form of high asbestos levels in the foundry and related buildings.

(k.5): High services demand or site underutilization can be found in the form of site and building vacancies throughout the Area.

Ten of the 11 possible qualifying blight conditions specified by the state statute were found in the Area. Table 1 summarizes blight qualifying conditions present in the Area.

Table 1
CityGate (Site) Conditions Survey - Summary of Findings

	<i>Blight Qualifying Conditions</i>										
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>	<i>(h)</i>	<i>(i)</i>	<i>(j)</i>	<i>(k.5)</i>
Area	yes	yes	yes	yes	yes	yes		yes	yes	yes	yes

Source: Leland Consulting Group.

- (a) Slum, deteriorated, or deteriorating structures;*
- (b) Predominance of defective or inadequate street layout;*
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (d) Unsanitary or unsafe conditions;*
- (e) Deterioration of site or other improvements;*
- (f) Unusual topography or inadequate public improvements or utilities;*
- (g) Defective or unusual conditions of title rendering the title non-marketable;*
- (h) The existence of conditions that endanger life or property by fire or other causes;*
- (i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- (j) Environmental contamination of buildings or property;*
- (k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements*